

Mr. STEAGALL. Mr. Chairman, there will be no objection if the gentleman will submit his amendment for a vote on the particular amendment and let that be the end of it. Is this satisfactory to the gentleman?

Mr. KVALE. Will the gentleman allow me 1 minute?

Mr. STEAGALL. Is this satisfactory to the gentleman?

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. HUDDLESTON. Mr. Chairman, I object.

Mr. KVALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the life of me I cannot understand how any Member of this House can take upon himself the responsibility of objecting to a request which is the result of an agreement that has been entered into, after debate, and as a result of an understanding and agreement with members of the committee.

Mr. HUDDLESTON. Mr. Chairman, I make the point of order the gentleman is not confining his remarks to the subject of his motion.

Mr. KVALE. The gentleman is quite correct, and if he wants to shut me off in that way he can do so.

Mr. HUDDLESTON. I would be willing for the gentleman to offer his amendment without debate. I would not have objected had the request been to return to this portion of the bill merely to offer the amendment.

Mr. KVALE. That is all I ask to do.

Mr. HUDDLESTON. The gentleman asked for time.

Mr. KVALE. I said I would not insist on any time.

Mr. HUDDLESTON. The gentleman insisted on having a minute, and we cannot grant time to one without granting it to all.

Mr. STEAGALL. I suggest the Chair again submit the request.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. HUDDLESTON. Mr. Chairman, reserving the right to object, if the gentleman merely wishes to offer an amendment I shall not object, but I shall object to any debate.

Mr. KVALE. I shall gladly accede to that.

Mr. HUDDLESTON. If the request is that we return merely for the purpose of offering the gentleman's amendment and if it is to be offered without debate, I shall not object.

Mr. KVALE. I so request, Mr. Chairman.

Mr. HUDDLESTON. I object unless the request is put in that form.

Mr. KVALE. I agree to that form.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KVALE. Page 28, line 25, after the words "not less than", strike out "\$2,000" and insert in lieu thereof the following: "\$2,500, unless the capital of the bank shall not exceed \$50,000, in which case he must own in his own right shares having a par value in the aggregate of not less than \$1,500, unless the capital of the bank shall not exceed \$25,000, in which case he must own in his own right shares having a par value in the aggregate of not less than \$750."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 136, noes 5.

So the amendment was agreed to.

Mr. LEWIS of Maryland. Mr. Chairman, I ask unanimous consent to return to section 4, page 6, line 1, for the sole purpose of offering an amendment, without debate, which I send to the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. DE PRIEST. I object.

The CHAIRMAN. Under the rule the Committee automatically rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 5661) to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, under the provisions of the resolution he reported the same back to the House with the amendments adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. ZIONCHECK. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ZIONCHECK. I am.

The SPEAKER. Is any member of the committee opposed to the bill? If there is no member opposed to the bill who wishes to make a motion to recommit, the Clerk will report the motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. ZIONCHECK moves to recommit the bill to the Committee on Banking and Currency with instructions to report the same back forthwith, amended as follows:

"On page 31, after line 4, insert a new section, as follows:

"Sec. 25. Paragraph 1 of section 16 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 248), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That no such officer or employee shall receive a salary in excess of \$10,000 per annum and in no case shall any such officer or employee receive a salary at a rate in excess of the rate of salary paid for like or similar positions which are subject to the provisions of the Classification Act of 1923, as amended, and to the Civil Service laws and regulations."

"And on page 57, line 2, before the period, insert the following:

"Provided, That no such officer or employee shall receive a salary in excess of \$10,000 per annum, and in no case shall any such officer or employee receive a salary at a rate in excess of the rate of salary paid for like or similar positions which are subject to the provisions of the Classification Act of 1923, as amended, and to the Civil Service laws and regulations."

Mr. LUCE. Mr. Speaker, I make the point of order that neither of the provisions of the motion to recommit are germane to any provision of the bill.

The SPEAKER. That has already been passed upon in Committee of the Whole and was held to be germane.

IMPEACHMENT CHARGES

Mr. McFADDEN. Mr. Speaker, I rise to a question of constitutional privilege. On my own responsibility as a Member of the House of Representatives, I impeach Eugene Meyer, former member of the Federal Reserve Board; Roy A. Young, former member of the Federal Reserve Board; Edmund Platt, former member of the Federal Reserve Board; Eugene R. Black, member of the Federal Reserve Board and officer of the Federal Reserve Bank of Atlanta; Adolph Caspar Miller, member of the Federal Reserve Board; Charles S. Hamlin, member of the Federal Reserve Board; George R. James, member of the Federal Reserve Board; Andrew W. Mellon, former Secretary of the United States Treasury and former ex-officio member of the Federal Reserve Board; Ogden L. Mills, former Secretary of the United States Treasury and former ex-officio member of the Federal Reserve Board; William H. Woodin, Secretary of the United States Treasury and ex-officio member of the Federal Reserve Board; John W. Pole, former Comptroller of the Currency and former ex-officio member of the Federal Reserve Board; J. F. T. O'Connor, Comptroller of the Currency and ex-officio member of the Federal Reserve Board; F. H. Curtiss, Federal Reserve agent of the Federal Reserve Bank of Boston; J. H. Case, Federal Reserve agent of the Federal Reserve Bank of New York; R. L. Austin, Federal Reserve agent of the Federal Reserve Bank of Philadelphia; George De Camp, former Federal Reserve agent of the Federal Reserve Bank of Cleveland; L. B. Williams, Federal Reserve

agent of the Federal Reserve Bank of Cleveland; W. W. Hoxton, Federal Reserve agent of the Federal Reserve Bank of Richmond; Oscar Newton, Federal Reserve agent of the Federal Reserve Bank of Atlanta; E. M. Stevens, Federal Reserve agent of the Federal Reserve Bank of Chicago; J. S. Wood, Federal Reserve agent of the Federal Reserve Bank of St. Louis; J. N. Peyton, Federal Reserve agent of the Federal Reserve Bank of Minneapolis; M. L. McClure, Federal Reserve agent of the Federal Reserve Bank of Kansas City; C. C. Walsh, Federal Reserve agent of the Federal Reserve Bank of Dallas; Isaac B. Newton, Federal Reserve agent of the Federal Reserve Bank of San Francisco, jointly and severally, of high crimes and misdemeanors, and offer the following resolution:

Whereas I charge the aforesaid Eugene Meyer, Roy A. Young, Edmund Platt, Eugene R. Black, Adolph Caspar Miller, Charles S. Hamlin, George R. James, Andrew W. Mellon, Ogden L. Mills, William H. Woodin, John W. Pole, J. F. T. O'Connor, members of the Federal Reserve Board; F. H. Curtiss, J. H. Case, R. L. Austin, George De Camp, L. E. Williams, W. W. Hoxton, Oscar Newton, E. M. Stevens, J. S. Wood, J. N. Peyton, M. L. McClure, C. C. Walsh, Isaac B. Newton, Federal Reserve agents, jointly and severally, with violations of the Constitution and laws of the United States, and whereas I charge them with having taken funds from the United States Treasury which were not appropriated by the Congress of the United States, and I charge them with having unlawfully taken over \$80,000,000,000 from the United States Government in the year 1928, the said unlawful taking consisting of the unlawful creation of claims against the United States Treasury to the extent of over \$80,000,000,000 in the year 1928, and I charge them with similar thefts committed in 1929, 1930, 1931, 1932, and 1933, and in years previous to 1928, amounting to billions of dollars; and

Whereas I charge them, jointly and severally, with having unlawfully created claims against the United States Treasury by unlawfully placing United States Government credit in specific amounts to the credit of foreign governments and foreign central banks of issue, private interests and commercial and private banks of the United States and foreign countries, and branches of foreign banks doing business in the United States, to the extent of billions of dollars; and with having made unlawful contracts in the name of the United States Government and the United States Treasury; and with having made false entries on books of account; and

Whereas I charge them, jointly and severally, with having taken Federal Reserve notes from the United States Treasury and with having issued Federal Reserve notes and with having put Federal Reserve notes into circulation without obeying the mandatory provision of the Federal Reserve Act which requires the Federal Reserve Board to fix an interest rate on all issues of Federal Reserve notes supplied to Federal Reserve banks, the interest resulting therefrom to be paid by the Federal Reserve banks to the Government of the United States for the use of the said Federal Reserve notes, and I charge them with having defrauded the United States Government and the people of the United States of billions of dollars by the commission of this crime; and

Whereas I charge them, jointly and severally, with having purchased United States Government securities with United States Government credit unlawfully taken and with having sold the said United States Government securities back to the people of the United States for gold or gold values and with having again purchased United States Government securities with United States Government credit unlawfully taken and with having again sold the said United States Government securities back to the people of the United States for gold or gold values, and I charge them with having defrauded the United States Government and the people of the United States by this rotary process; and

Whereas I charge them, jointly and severally, with having unlawfully negotiated United States Government securities, upon which the Government's liability was extinguished, as collateral security for Federal Reserve notes and with having substituted such securities for gold which was being held as collateral security for Federal Reserve notes, and with having by this process defrauded the United States Government and the people of the United States, and I charge them with the theft of all the gold and Federal Reserve currency they obtained by this process; and

Whereas I charge them, jointly and severally, with having unlawfully issued Federal Reserve currency on false, worthless and fictitious acceptances and other circulating evidences of debt, and with having made unlawful advancements of Federal Reserve currency, and with having unlawfully permitted renewals of acceptances and renewals of other circulating evidences of debt, and with having permitted acceptance bankers and discount dealer corporations and other private bankers to violate the banking laws of the United States; and

Whereas I charge them, jointly and severally, with having conspired to have evidences of debt to the extent of over \$1,000,000,000 artificially created at the end of February 1933 and early in March 1933, and with having made unlawful issues and advancements of Federal Reserve currency on the security of the said artificially created evidences of debt for a sinister purpose, and with having assisted in the execution of the said sinister purpose; and

Whereas I charge them, jointly and severally, with having brought about a repudiation of the currency obligations of the Federal Reserve banks to the people of the United States, and with having conspired to obtain a release for the Federal Reserve Board and the Federal Reserve banks from their contractual liability to redeem all Federal Reserve currency in gold or lawful money at any Federal Reserve bank, and with having defrauded the holders of Federal Reserve currency, and with having conspired to have the debts and losses of the Federal Reserve Board and the Federal Reserve banks unlawfully transferred to the Government and the people of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully substituted Federal Reserve currency and other irredeemable paper currency for gold in the hands of the people after the decision to repudiate the Federal Reserve currency and the national currency was made known to them, and with having thus obtained money under false pretenses; and

Whereas I charge them, jointly and severally, with having brought about a repudiation of the national currency of the United States in order that the gold value of the said currency might be given to private interests, foreign governments, foreign central banks of issue, and the Bank for International Settlements, and the people of the United States be left without gold or lawful money and with no currency other than a paper currency irredeemable in gold, and I charge them with having done this for the benefit of private interests, foreign governments, foreign central banks of issue, and the Bank for International Settlements; and

Whereas I charge them, jointly and severally, with conniving with the Edge law banks and other Edge law institutions, accepting banks, and discount corporations, unlawfully to finance foreign governments, foreign central banks of issue, foreign commercial banks, foreign corporations, and foreign individuals with funds unlawfully taken from the United States Treasury, and I charge them with having unlawfully permitted and made possible "mass financing" of foreigners at the expense of the United States Treasury to the extent of billions of dollars and with having unlawfully permitted and made possible the bringing into the United States of immense quantities of foreign securities, created in foreign countries for export to the United States, and with having unlawfully permitted the said foreign securities to be imported into the United States instead of gold, which was lawfully due to the United States on trade balances and otherwise, and with having unlawfully permitted and facilitated the sale of the said foreign securities in the United States in a manner prejudicial to the public welfare and injurious to the Government of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully made loans of gold and of gold values belonging to the bank depositors and the general public of the United States to foreign governments, foreign central banks of issue, foreign commercial banks, foreign corporations, and individuals, and the Bank for International Settlements, to the loss and detriment of the Government and the people of the United States; and

Whereas I charge them, jointly and severally, with having unlawfully exported gold reserves belonging to the national bank depositors and gold belonging to the general public of the United States to foreign countries, and with having converted the said gold into foreign currencies, and with having used it for the benefit of foreigners, and for speculative purposes abroad, and with having unlawfully converted to their own use and the use of others gold belonging to the United States stored or held in foreign countries, and with having unlawfully prevented the shipment to the United States of the said gold which was due to the United States, and with having permitted the importation under their supervision of false, worthless, and fictitious trade paper and foreign securities of doubtful value in lieu of it, and with having caused the United States to lose the said gold; and

Whereas I charge them, jointly and severally, with having unlawfully exported United States coins and currency for a sinister purpose, and with having deprived the people of the United States of their lawful circulating medium of exchange, and I charge them with having arbitrarily and unlawfully reduced the amount of money and currency in circulation in the United States to the lowest rate per capita in the history of the Government, so that the great mass of the people have been left without a sufficient medium of exchange, and I charge them with concealment and evasion in refusing to make known the amount of United States money in coins and paper currency exported abroad and the amount remaining in the United States, as a result of which refusal the Congress of the United States is unable to ascertain where the United States coins and issues of currency are at the present time and what amount of United States currency is now held abroad; and

Whereas I charge them, jointly and severally, with having arbitrarily and unlawfully raised and lowered the rates on money and with having arbitrarily increased and diminished the volume of currency in circulation for the benefit of private interests and foreign speculators at the expense of the Government and the people of the United States and with having unlawfully manipulated money rates, wages, salaries, and property values, both real and personal, in the United States, by unlawful operations in the open discount market and by resale and repurchase agreements unsanctioned by law; and

Whereas I charge them, jointly and severally, with having brought about the decline in prices on the New York Stock Exchange and other exchanges in October 1929 by unlawful manipulation of money rates and volume of United States money and currency in circulation, by thefts of funds from the United States Treasury, by gambling in acceptances and United States Govern-

ment securities; by services rendered to foreign and domestic speculators and politicians, and by the unlawful sale of United States gold reserves, and whereas I charge that the unconstitutional inflation law imbedded in the so-called "Farm Relief Act" by which the Federal Reserve Board and the Federal Reserve banks are given permission to buy United States Government securities to the extent of \$3,000,000,000 and to draw forth currency from the people's Treasury to the extent of \$3,000,000,000 is likely to result by connivance on the part of the said accused with others in the purchase by the Federal Reserve banks of United States Government securities to the extent of \$3,000,000,000 with the United States Government's own credit unlawfully taken, it being obvious that the Federal Reserve Board and the Federal Reserve banks do not intend to pay anything of value to the United States Government for the said United States Government securities—no provision for payment in gold or lawful money appearing in the so-called "Farm Relief Act"—and that the United States Government will thus be placed in the position of conferring a gift of \$3,000,000,000 in United States Government securities on the Federal Reserve Board and the Federal Reserve banks to enable them to pay more of their bad debts to foreign governments, foreign central banks of issue, private interests, and private and commercial banks, both foreign and domestic, and the Bank for International Settlements, and whereas the United States Government will thus go into debt to the extent of \$3,000,000,000 and will then have an additional claim for \$3,000,000,000 in currency unlawfully created against it and whereas no private interests should be permitted to buy United States Government securities with the Government's own credit unlawfully taken and whereas currency should not be issued for the benefit of the said private interests or any interests on United States Government securities so acquired, and whereas it has been publicly stated and not denied that the inflation amendment to the Farm Relief Act is the matter of benefit which was secured by Ramsay MacDonald, the Prime Minister of Great Britain, upon the occasion of his latest visit to the White House and the United States Treasury, and whereas there is grave danger that the accused will employ the provision creating United States Government securities to the extent of \$3,000,000,000 and \$3,000,000,000 in currency to be issuable thereupon for the benefit of themselves and their foreign principals, and that they will convert the currency so obtained to the uses of Great Britain by secret arrangements with the Bank of England of which they are the agents, and for which they maintain an account and perform services at the expense of the United States Treasury, and that they will likewise confer benefits upon the Bank for International Settlements for which they maintain an account and perform services at the expense of the United States Treasury; and

Whereas I charge them, jointly and severally, with having unlawfully concealed the insolvency of the Federal Reserve Board and the Federal Reserve banks and with having failed to report the insolvency of the Federal Reserve banks to the Congress and with having conspired to have the said insolvent institutions continue in operation, and with having permitted the said insolvent institutions to receive United States Government funds and other deposits, and with having permitted them to exercise control over the gold reserves of the United States and with having permitted them to transfer upward of \$100,000,000,000 of their debts and losses to the general public and the Government of the United States, and with having permitted foreign debts of the Federal Reserve banks to be paid with the property, the savings, the wages, and the salaries of the people of the United States, and with the farms and homes of the American people, and whereas I charge them with forcing the bad debts of the Federal Reserve banks upon the general public covertly and dishonestly and with taking the general wealth and savings of the people of the United States under false pretenses, to pay the debts of the Federal Reserve banks to foreigners, and

Whereas I charge them, jointly and severally, with violations of the Federal Reserve Act and other laws; with maladministration of the Federal Reserve Act; and with evasions of Federal Reserve law and other laws, and with having unlawfully failed to report violations of law on the part of Federal Reserve banks which, if known, would have caused the said Federal Reserve banks to lose their charters, and

Whereas I charge them, jointly and severally, with failure to protect and maintain the gold reserves and the gold stock and gold coinage of the United States and with having sold the gold reserves of the United States to foreign governments, foreign central banks of issue, foreign commercial and private banks, and other foreign institutions and individuals at a profit to themselves, and I charge them with having sold gold reserves of the United States so that between 1924 and 1928 the United States gained no gold on net account but suffered a decline in its percentage of central gold reserves from 45.9 percent in 1924 to 37.5 percent in 1928 notwithstanding the fact that the United States had a favorable balance of trade throughout that period; and

Whereas the United States was the only country which lost a considerable quantity of gold during that period, to wit, 1924 to 1928, inclusive, I charge them with the theft and sale of the said gold to their foreign principals, and I charge them with the theft and sale of 10 percent of the entire gold stock of the United States during the last 4 months of 1927 and during 1928 after crediting all importations of gold received by the United States during that period, this theft and sale of 10 percent of the gold stock of the United States occasioning the largest gold outflow from the United States that had ever theretofore occurred, and I charge them with the theft and sale of all the gold reserves

exported from the United States from the year 1928 to the present time, a period during which the United States has lost gold continuously and has gained no gold on net account, notwithstanding the fact that the balance of trade and accounts throughout the entire period has been in favor of the United States; and

Whereas the United States has received no gold on net account since 1923, a period of 10 years during which the United States has had a favorable balance of trade and has had large sums due to it and payable in gold from foreign nations and has not received such sums in gold, I charge them, the said accused, with the theft of gold which was lawfully due to the United States, with the theft of gold belonging to the United States, and with the unlawful diversion of United States gold to the treasuries and central banks of foreign countries, and I charge them with concealment of the true condition and amount of the gold reserves of the United States at the present time; and

Whereas I charge them, jointly and severally, with having conspired to concentrate United States Government securities and thus the national debt of the United States in the hands of foreigners and international money lenders and with having conspired to transfer to foreigners and international money lenders title to and control of the financial resources of the United States; and

Whereas I charge them, jointly and severally, with having fictitiously paid installments on the national debt with Government credit unlawfully taken; and

Whereas I charge them, jointly and severally, with the loss of United States Government funds intrusted to their care; and

Whereas I charge them, jointly and severally, with having destroyed independent banks in the United States and with having thereby caused losses amounting to billions of dollars to the depositors of the said banks and to the general public of the United States; and

Whereas I charge them, jointly and severally, with failure to furnish true reports of the business operations and the condition of the Federal Reserve banks to the Congress and the people, and with having furnished false and misleading reports to the Congress of the United States; and

Whereas I charge them, jointly and severally, with having published false and misleading propaganda intended to deceive the American people and to cause the United States to lose its independence; and

Whereas I charge them, jointly and severally, with unlawfully allowing Great Britain to share in the profits of the Federal Reserve System at the expense of the Government and the people of the United States; and

Whereas I charge them, jointly and severally, with having entered into secret agreements and illegal transactions with Montagu Norman, governor of the Bank of England; and

Whereas I charge them, jointly and severally, with swindling the United States Treasury and the people of the United States in pretending to have received payment from Great Britain of the amount due on the British war debt to the United States in December 1932; and

Whereas I charge them, jointly and severally, with having conspired with their foreign principals and others to defraud the United States Government and to prevent the people of the United States from receiving payment of the war debts due to the United States from foreign nations; and

Whereas I charge them, jointly and severally, with having robbed the United States Government and the people of the United States by their theft and sale of the gold reserve of the United States and other unlawful transactions, and with having created a deficit in the United States Treasury which has necessitated to a large extent the destruction of our national defense and the reduction of the United States Army and the United States Navy and other branches of the national defense; and

Whereas I charge them, jointly and severally, with having reduced the United States from a first-class power to one that is dependent, and with having reduced the United States from a rich and powerful Nation to one that is internationally poor; and

Whereas I charge them, jointly and severally, with the crime of having treasonably conspired and acted against the peace and security of the United States, and with having treasonably conspired to destroy constitutional government in the United States: Therefore be it

Resolved, That the Committee on the Judiciary is authorized and directed, as a whole or by subcommittee, to investigate the official conduct of Eugene Meyer, Roy A. Young, Edmund Platt, Eugene R. Black, Adolph Caspar Miller, Charles S. Hamlin, George R. James, Andrew W. Mellon, Ogden L. Mills, William H. Woodin, John W. Pole, J. F. T. O'Connor, members of the Federal Reserve Board; and F. H. Curtiss, J. H. Case, R. L. Austin, George De Camp, L. B. Williams, W. W. Hoxton, Oscar Newton, E. M. Stevens, J. S. Wood, J. N. Payton, M. L. McClure, C. C. Walsh, Isaac B. Newton, Federal Reserve agents, to determine whether, in the opinion of the said committee, they have been guilty of any high crime or misdemeanor which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such resolution or resolutions of impeachment or other recommendations as it deems proper.

For the purposes of this resolution the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such clerical, stenographic, and other assistants, to require the attendance of

such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

During the reading of the above the following occurred:

MR. MAPES. Mr. Speaker, a point of order. I wish to submit the question to the Speaker as to whether or not a person who is not now in office is subject to impeachment? This resolution of the gentleman from Pennsylvania refers to several people who are no longer holding any public office. They are not now at least civil officers. The Constitution provides that the "President, Vice President, and all civil officers shall be removed from office on impeachment", and so forth. I have had no opportunity to examine the precedents since this matter came up, but it occurs to me that the resolution takes in too much territory to make it privileged.

THE SPEAKER. That is a constitutional question which the Chair cannot pass upon, but should be passed upon by the House.

MR. BYRNS. Mr. Speaker, I move that the resolution and charge be referred to the Committee on the Judiciary.

The motion was agreed to.

REGULATION OF BANKS

THE SPEAKER. The question is on the motion to recommit the bill (H.R. 5661).

The motion was rejected.

THE SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 262, noes 19.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

GUARANTY OF BANK DEPOSITS

MR. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

MR. SPEAKER. Is there objection?

There was no objection.

MR. DONDERO. Mr. Speaker, coming from a section of the land where bank failures and the closing of banks, State and national, have caused untold distress and hardship, I arise to speak in favor of the pending bill, H.R. 5661, with more than ordinary interest.

Living in a township in which 80,000 people reside, where every one of its seven banks closed its doors, and this within the metropolitan area of Detroit, I yield to no person the right to claim greater knowledge of the misery and deprivation to which such a situation can subject a people.

Only once before in the history of the Nation, namely in 1837, did a like situation occur in this country when all the banks of the land practically closed at one time. That was known as the "wildcat period" of our national existence. Then every bank issued its own money. The country had launched itself upon a program of expansion and the construction of internal improvements, such as canals and railroads. It was a boom time, a period of great inflation, and in its train came conditions not unlike the present.

The present economic period, caused by inflation, abnormal prices, and, also, by abnormal growth in the large populated centers of the country, has again left our people in the slough of despair and misery. Their life's earnings and savings have been swept away and have vanished like mist before the rising sun. Thousands of banks in the country have closed, not because all bankers have been dishonest or have overreached, but because of the unparalleled depreciation of the securities in which the banks have invested their money. But regardless of how or what the cause has been that has closed the banks, the result is exactly the same, viz., that the people of the country have lost all faith and confidence in our banks and in our banking system and institutions.

In addition to the enormous sums of money lost, there has also been an enormous sum of money which has gone into hiding, and I am informed that the amount is nearly \$2,000,000,000, which has been withdrawn from the channels

of trade and of commerce. It has been secreted in the button box, the family clock, the secret drawer, and the safety-deposit box. That money is going to remain there until this Congress passes some form of legislation to guarantee or insure to the people the safety of their hard-earned money.

The bill before the House may not be a perfect bill in its entirety, but it does contain the principle which the country is demanding, namely, that the deposits from now on in banks, whether national or State, shall be guaranteed and secured to the people. That principle has my complete and hearty endorsement. The temper and feeling of the people, in which their loss of confidence is reflected, is borne out by the fact that the Postal Savings deposits in the United States have increased more than 100 percent in the last 12 months, and today I have been informed by the Post Office Department that the amount of money now on deposit in the Postal Savings Department of the Government amounts to \$1,157,651,000, bearing interest at 2 percent. There is only one answer to this tremendous increase in the deposits of the Postal Savings Department and that is that the people still have faith and confidence in the Government of the United States. It is one bank in the country that has never closed, and the depositors know they can have their money upon demand.

Let us support this bill and guarantee to all the people the same security of their deposits in banks that the people now have in the Postal Savings of the Nation. It will do much to restore the faith and confidence of the people, not only in the financial institutions and the banking system of the country but it will restore faith and hope in the people.

Idle dollars make idle men. Encourage hidden wealth to march out of its hiding places into the proper channels of commerce and industry and the wheels of business will begin to turn again. Money will be more plentiful; credit will be reestablished; funds will be available for legitimate enterprises, and upon the whole the country will be greatly benefited, and we will do much toward restoring prosperity to our people by this constructive piece of legislation. I hope the bill will pass and be enacted into law at the earliest possible date.

REORGANIZATION OF GOVERNMENT BUREAUS

MR. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

MR. SPEAKER. Is there objection?

There was no objection.

MR. BOLTON. Mr. Speaker, there has been so much discussion of the possibility of transferring work now done by the Corps of Engineers, United States Army, to other bureaus or departments that I believe it is the logical time to point out some of the reasons why such a transfer should not be put into effect. For perhaps 20 years there has been agitation for the consolidation of public-works activities of the Government and there is always coupled with this the suggestion that the civil duties of the Engineer Corps be taken over by some other bureau or a department of public works. This proposal was renewed in the presidential message of December 9, 1932, recommending consolidation of various governmental agencies. Broad authority has been given to the President with a view to reorganization of the Federal Government.

My purpose is to present some of the facts and considerations which should be cited in opposition to this transfer. First, however, it is useful to examine the reasons advanced by groups of civilian engineers and others who have appeared at congressional hearings in favor of this transfer. These arguments are without exception speculative generalities without statistical foundation. They fall into four general groups; namely, that (1) such a transfer would result in economy; (2) that it would bring greater efficiency; (3) that it is unfair to civilian engineers to have the work performed by the military branch of the Government; and (4) that the Engineer Corps would be benefited by the proposed transfer and national defense better served.

A. It is asserted that such a transfer would produce substantial economies in public-works expenditures, probably